

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**UNSTARRED QUESTION NO. 173**  
TO BE ANSWERED ON JULY 19, 2021

**FOREIGN DEBT**

173. SHRI K. NAVASKANI

Will the Minister of FINANCE be pleased to state:

- (a) whether foreign debt has increased in the last five years?
- (b) if so, the details thereof and the reason therefor;
- (c) whether steps have been taken by the Government to tackle this; and
- (d) if so, the details thereof and if not, the reason therefor?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) to (d): India's external debt, both in absolute terms as well as a ratio to GDP, has been modest over the years. The increase in India's external debt between end-March 2017 and end-March 2021 was primarily due to an increase in commercial borrowings, non-resident deposits, short-term debt, multilateral debt and bilateral debt. The stock of external debt and its growth rate for last five years is given below at Table 1:

**Table 1: India's External Debt**

<b>At end-March</b>	<b>External debt (US\$ Billion)</b>	<b>Growth Rate (Per cent)</b>	<b>External Debt to GDP (Per cent)</b>
2017	471.0	-2.8	19.8
2018	529.3	12.4	20.1
2019 R	543.1	2.6	19.9
2020 PR	558.4	2.8	20.6
2021 P	570.0	2.1	21.1

Source: Reserve Bank of India and Department of Economic Affairs.

Note: R: Revised; PR: Partially Revised; P: Provisional.

The deft and prudent external debt management policy of the Government of India has helped in containing rise in external debt and maintaining a comfortable external debt position. The policy focuses on monitoring long and short-term debt, raising sovereign loans on concessional terms with longer maturities, regulating external commercial borrowings and rationalizing interest rates on Non-Resident Indian deposits.

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